

DD/S 72-2676

6 JUL 1972

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Logistics
Director of Medical Services
Director of Personnel
Director of Security
Director of Training
Chief, Support Services Staff
Special Support Assistant/DDS

SUBJECT : Agency Annual Report

1. The Executive Director-Comptroller has issued the attached procedures and instructions for the Agency Annual Report for FY 1972.
2. Tab A shows the planned structure of the Agency Report. That format is to be followed by each contributing component. Detailed instructions on the preparation of the report are contained at Tab B.
3. Each component identified at Tab C must prepare its own report. The Directorate will prepare a summary statement, with your reports as attachments. Tab D contains supplementary instructions for the Support Directorate.
4. Inputs on management direction can reference inputs to the Annual Management Report which will be submitted during the same time frame in response to Office of Management and Budget Circular No. A-44 (Revised) of May 24, 1972.
5. Submissions should reach O/DDS by close of business 24 July 1972. This report will also serve as the Agency Annual Report to the President's Foreign Intelligence Advisory Board (PFIAB). Any questions should be referred to the Plans Staff, O/DDS, extension

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Robert S. Warrles
Acting Deputy Director
for Support

Atts.

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Tab A

27 June 1972

AGENCY ANNUAL REPORT

A

I. MAJOR DEVELOPMENTS

A. Continuing requirements and opportunities re the USSR and China

✓ B. New Coverages

1. Economic
- ✓ 2. Narcotics
3. Southeast Asia
4. Other crises (India/Pakistan, Middle East)

C. Political Atmosphere

1. Abroad
- ✓ 2. At home -- Congress, leaks

✓ D. CIA in the Intelligence Community

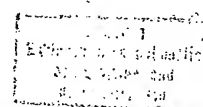
E. Budget Trends

II. MAJOR ACCOMPLISHMENTS AND FAILINGS [for increased effort]

A. Collection

1. Requirements
2. Clandestine
 - a. Human
 - (1) Agent collection
 - (2) Defectors
 - (3) Counterintelligence
 - b. Technical
 - (1) Imagery
 - (2) Signals Intelligence
3. Overt
 - a. Human sources
 - b. Broadcast and Press Monitoring
4. R&D

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B. Covert Action

1. The USSR and East Europe
2. West Europe
3. Far East
4. Near East/South Asia
5. Western Hemisphere
6. Africa

C. Production and Related Processing

1. Finished Intelligence
 - a. Estimative
 - b. Political
 - c. Economic
 - d. Military and Space
 - e. Scientific and Technological
 - f. Geographic and Geodetic
2. Processing
 - a. Imagery exploitation
 - b. Signal processing
 - c. Information handling and support
 - d. R&D

✓ D. Support

1. Security
2. Communications (including R&D)
3. Training
4. Other

III. AHEAD

A. Resource Outlook

B. Targets

1. Changing pattern of targets
2. Changing program emphasis

C. Techniques

1. Rationalization of data flows
2. Experimental analysis
3. Near Real Time System

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D. R&D

1. Collection
2. Communications
3. Information processing and exploitation

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Tab B

27 June 1972

MEMORANDUM FOR: Addressees

SUBJECT: Contributions to the Agency Annual Report

REFERENCE: Memorandum from Executive Director-
Comptroller to Deputy Directors, 26 May 1972,
Information Control -- Archives, History,
and Records

This memorandum provides guidance for the preparation of the Annual Report on component activities, discussed in Para. 5.d. of referenced memorandum.

General Note

1. Each contributing component (identified in Tab C) will prepare its submission as a single report which meets the requirements of the Agency Annual Report and also constitutes a brief history of the most significant developments in the activities of the reporting component for the fiscal year ending 30 June 1972. The annual reporting procedure will alleviate the persistent time gap which has in the past characterized historical writing within the Agency and will make available on a current basis to

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management and others having a need-to-know the highlights of the history of the Agency based on its organizational units. It is expected that these annual reports will reduce the requirement for structurally oriented component histories and permit the dedication of available writing resources more to topical and programmatic histories involving Agency participation in major international crises. The latter aspects of the CIA Historical Program (Para. 5.c. of reference) will be described in a forthcoming memorandum.

2. Components will organize their contributions to the Agency Annual Report in the framework of the outline provided in Tab A of the instructions from the Executive Director-Comptroller, as further explained in the following paragraphs of the present memorandum.

I. Major Developments

3. In Part I. Major Developments, components will review selectively the highlights of their activities during the past fiscal year. Only the most significant developments of the year are to be identified in this section, not all important activities; a more expanded list of activities should be discussed in Part II, in which each component will survey its Major Accomplishments.

and Failings more systematically. Activities may be chosen for highlighting in Part I because of their impact on very high priority standing requirements, or because they represent major breakthroughs in coping with priority targets. Part I reporting should also include component responses to major new requirements, such as changing aspects of present targets, new functions, and new geographic targets, particularly places where an existing equilibrium was threatened or overturned by internal or external forces. Responses to the foregoing will be made by components concerned with collection, operational support, processing, exploitation, and production, as appropriate. Components will also identify and review the work of task forces under their jurisdiction created to cope with special crises.

4. Replies should also discuss in the highlights section significant changes in the environment in which foreign intelligence activities are conducted, as the consequence of policy shifts by established regimes or changes in the establishment. Contributors should note, when relevant, the impact on their operations of new policy thrusts of the administration, the role of Congress and Congressmen, and the temper of the press and

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public opinion, Attention should also be given to key developments in the relations of components with other parts of the intelligence community, either as collaborators, customers, or sources of information and support.

Finally, responding components should summarize trends in budget allocations for their activity as a whole as well as by major aspects of their program.

5. To be effective, Part I. Major Developments should not only highlight the activities which have received most emphasis during the fiscal year but also characterize clearly what major changes occurred in the goals and activities during the period. Employed as a management tool the historical or developmental approach is not concerned with an indiscriminate review of what happened in the past, but provides an opportunity to identify trends and developments, including the rate, amount, direction, scope, depth, and kind of change. This kind of historical scrutiny, applied comprehensively, begins with the identification of changes in the operational milieu, assesses the impact of these changes on objectives, and then follows the course of the intelligence process through the adjustment of requirements, replanning of operations, and so on, to the evaluation of the new effort. Contributors will be expected to respond appropriately

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for their portion of the process, not by presenting a briefing of their program as it existed at some particular time in the year, but by highlighting the major changes in their activity during the period.

II. Major Accomplishments and Failings

6. Most components will find their program applies to a single entry in this part of the PPB outline, although some may identify with more than one activity. As the title of the section indicates, respondents are not expected to provide a complete catalogue or postmortem of all of their activities and projects, but rather to identify, discuss, and rate their performance in terms of major successes and failures in a more detailed and systematic manner than in Part I. As in the highlights section, the emphasis is not to be on a static listing of all projects but on developments in activities in which significant changes occurred during the year. Subjects qualifying for review in this section include important individual successes in performance achieved by ongoing programs; progress in research and development of new programs, or in phasing new programs into operation; the degree of success in modifying existing programs and in meeting new requirements; and achievements in improving the efficiency or productivity of ongoing activities. (Achievements

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in R&D should be included if they are a part of the activity of the component.) At all levels of activity the emphasis will be on progress, evolution, and development or, when relevant, retrogression, but not on static description. Without becoming involved in the intricacies of historical causation, explanations should show why major actions were taken, especially new projects. Results should similarly be assessed. Examples may be used to illustrate development, but an example of success or failure does not necessarily reflect the movement during the period unless it is compared with an earlier example or with a benchmark of previous performance. Contributors are expected to judge objectively what constitutes accomplishment, employing criteria appropriate to the activity. Such criteria may include customer satisfaction, impact on the opposition, achievement of goals, and cost effectiveness.

7. Although this report emphasizes historical movement, the summary nature of the contribution will limit the detail in which particular program elements or activities can be discussed. Step-by-step accounts of developments, meeting-by-meeting, and memorandum-by-memorandum, as frequently encountered in component histories,

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must be digested and summarized on an aggregate rather than an individual basis in order to preserve the sense of movement and contain the discussion within the framework of 10 to 20 pages appropriate to an annual report. The use of statistical tabulations to focus the presentation, illustrate historical development, and limit the length of the contribution is very much encouraged.

8. In Part II each component should show with some specificity its response to the major new problems which have arisen during the year and its progress or frustrations in coping with priority continuing problems. Components should disclose the elements and projects of their programs in sufficient detail that the major changes within each level can be appreciated by reviewers and consumers.

III. Ahead

9. Tab A provides that, in summarizing prospects and future plans, contributors will implicitly employ, as a point of departure, past resource allocations, target patterns, program emphasis, data manipulation techniques, and management approaches. The outlook section of the annual report may be of special interest in future reviews of the effectiveness of program planning at several management levels. Together with the foregoing section it is also expected to constitute a source for subsequent historical writing.

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Other Guidance

10. Chronologies. In order to satisfy the need for a concise annual report and simultaneously generate a chronicle of component activities, each contributor will append to its submission a brief chronology of major events relevant to its performance during the fiscal year. These events, identified by day and month and succinctly described, may include events in other countries affecting the activities of the component, the dates of component-inspired actions, dates of R&D breakthroughs, collection, processing, or production milestones, intelligence coups, internal reorganizations, and changes in key personnel.

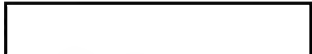
11. Key Documents: Every component submitting an annual report will, as stipulated by the Executive Director's referenced memorandum of 26 May 1972 (Para. 5.b.(1)), include a list of "key documents and files for permanent inclusion in Agency Archives." This list will be reviewed within each unit "to ensure that the documents marked for archival retention are neither excessive in detail, inappropriately classified, nor incomplete through omissions. A certificate to this effect will accompany the unit's Annual report... ."

12. Supplementary written instructions will be provided to meet the needs of each Directorate. The Chief, CIA Historical Staff and the Directorate Historical

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Officers will provide additional guidance to assist components in complying with the historical requirements as delineated in this memorandum. Completed annual reports will be submitted to the next senior command level for review and exploitation as inputs into the Agency Annual Report. Following approval by reviewing components, one copy will be transmitted to PPB by the Directorates as an enclosure to the Directorate contribution, one copy will be returned to the component, and one copy lodged in the Agency Archives. As required, compartmented annexes can be compiled and held separately covering particularly sensitive events.


CIA Historian

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Tab C

26 June 1972

Contributors to the Agency Annual Report

DCI Area

OGC
OLC
IG
ONE
IC

DDP

O/DDP
Component list provided
separately

DDI

O/DDI
Senior Research Staff
CRS
DCS

IAS
IRS
NPIC
OBGI
OCI
OER
OSR

DDS

O/DDS
SSA-DDS
SSS-DDS
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22 June 1972

Supplementary Guidance to DDS Components

1. This memorandum is intended to supplement Tab B by providing more specific guidance to those responsible for preparing DDS contributions to the Annual Report. The following suggestions are to be used together with the instructions given in Tab B. From their own expertise, DDS components will no doubt include other activities which they consider of primary importance than those listed below.

2. For item I, Major Developments:

a. Component participation in activities that were reflected in revisions of existing agreements or procedures in the support area -- communications, security, and/or DOD relationships -- should be covered under I D.

b. Significant budget trends (item I E) reflected in the level of support to operations have historical importance that should be reported and documented.

c. Some comment should appear on the stand-down of support activity [REDACTED]

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3. For item II, Major Accomplishments and Failings:

a. From the standpoint of the Office of Personnel it would seem in order to remark on the impact of the early retirement program.

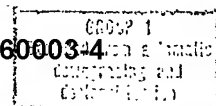
b. Both the [REDACTED] Marchetti cases might be worth comment by the Office of Security and/or Personnel.

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c. The support effort to Southeast Asia -- particularly the logistics effort -- probably should be discussed, possibly with pros and cons.

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4. For item III, Ahead:

a. Per item 3 c, above, the techniques evolving for the on-going support of SEA per items III B and III C would seem to warrant comment.

b. In view of retirements, loss of slots, and level of experience of personnel on board, some comments should be made regarding the anticipated effectiveness of the given components, particularly those which anticipate difficulties in the coming year.

c. Any significant changes in the direction of management efforts, including restructuring, should be indicated.

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2	DD/PTOS		
3	DD/IOS		
4	C/SRS		
5	C/A&TS		
6	C/SSC		

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APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

File Copy

Please forward your response to

EPD by COB 18 July 1972.

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*TAB B - Par 11 - Per []
 requirement to be left out -
 all components notified by
 phone -*

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4	<i>ACR & Staff</i> <i>C/EPD</i>	10 JUL 1972	<i>D</i>
5			
6			

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Remarks:

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7/7
Copies sent to Deputy Director and
Staff chief on 10 July with deadline
COB 18 JULY 1972-

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